

Date: April 8, 2014

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Joel V. Reitzer, Director, General Services Department
Rhonda B. Parker, Director, Durham Parks and Recreation

Subject: Proposed Three Year Lease between Durham Housing Authority and the City of Durham for the T. A. Grady Center located at 531 Lakeland Street (Parcel #211054)

Executive Summary

The General Services Department and Parks and Recreation Department (hereafter referred to as "DPR") recommend that City Council authorize the City Manager to enter into a lease with Durham Housing Authority (hereafter referred to as "DHA") for the T. A. Grady Center ("Center"). The Center consists of approximately 2,875 square feet and is located at 531 Lakeland Street. The lease term is for a period of three (3) years with DHA having the right to extend the lease for two (2) additional three (3) year terms.

DHA intends to use the property for after school programs, GED programs, robotics programs and other services provided for the benefit of the Durham community and will occupy the premises once the lease is approved by City Council and executed by the City Manager.

Recommendation

The General Services Department, in conjunction with the Parks and Recreation Department, recommends City Council authorize the City Manager to execute a three (3) year lease with Durham Housing Authority for the T. A. Grady Center located at 531 Lakeland Street.

Background

The T. A. Grady Recreation Center, located at 531 Lakeland Avenue, is a small recreation facility previously used by DPR. DPR offered after school care, summer day camp, and teen programming at this facility; however, in August 2012 DPR worked with non-profits (NPOs) to provide programs and services to the community during the school year and DPR provided a nine week summer camp for the community.

DHA approached DPR about leasing the facility. The facility and its location are ideal for Durham Housing Authority's implementation of the 2012 Choice Neighborhoods Planning Grant Program's mission. DHA secured the grant funding through the U.S. Department of Housing and Urban Development in 2012. The Choice Neighborhoods Planning Program forges broad-based partnerships to transform neighborhoods into viable, mixed-income neighborhoods with access to "well-functioning" services, high quality public schools and education programs, high quality early learning programs and services, public assets, public transportation and improved access to jobs. The main goal of the program is to create viable communities with special emphasis on the civic engagement.

DHA, as Tenant, will occupy the premises at a cost of \$1.00 per year. DHA will be responsible for routine interior maintenance, cleaning and routine custodial care, general plumbing, electrical repairs, replacement of light bulbs, purchase and replacement of glass or plexiglass, door hardware, purchase and replacement of fire extinguishers as required by law, and purchase and routine changing of air filters, and maintenance of the grounds, as shown on Exhibit A of the lease. DHA will also be responsible for and shall pay for all proper charges for all utilities, including oil, gas, electricity, water, sewer, storm water charges, garbage pickup, cable, telephone, security, custodial supplies, and pest exterminating service.

The City, as Landlord, will be responsible for maintaining the roof, principal structure members, exterior masonry walls, and replacement of compressors and electric motors that are a part of the HVAC system if such parts cannot be repaired.

This unique agreement between DPR and DHA will allow for the continuation of programs to serve both youth and adults in Durham.

Issues and Analysis

The Administration believes that this agreement will insure that beneficial programming will continue to be offered to the community at T. A. Grady Center. Under the proposed lease, DHA will assume responsibility for operation and maintenance of the building and its grounds.

Alternatives

City Council could decide not to approve leasing the T. A. Grady Center to DHA. This alternative is not recommended as it will leave the property vacant and without programs for residents. Additionally, the City would be responsible for maintenance of both the building and grounds.

Financial Impact

There is no cost or revenue to the City related to this lease; however, the City benefits by having a Tenant that will maintain the building and grounds.

SDBE Summary

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachments: Lease Document and Overview Map